

# **An Empirical Analysis of the Factors Influencing the Women Investment Behavior -With Special Reference to Women in Bathinda District**

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## **Abstract**

The socio-economic prestige of women is a good predictor of civilization. Social status of women is influenced by their economic circumstances. Women's place in the decision-making process is determined by their socioeconomic status, which opens the door to even more independence. Women in rustic ranges, as well as public ranges, are now taking the initiative to put their skills to work in order to earn a living. Women's equality in society is achieved through increased awareness. Females' economic standing in society can be improved by encouraging them to invest in a variety of investment opportunities. In the past, women were not as conscious of investment trends as men were. Women in both the urban and rural areas now have specific investing goals, such as children's education, marriages, tax savings, wealth accumulation, future security, and so on. This study targets to analyze the various investment behavior of women and to identify the factors influencing women behavior on various investment patterns. The study focused on Women of Bathinda District in Punjab. The primary data has been collected from 83 females by distributing the structured questionnaire. The data has been analysed through chi-square test and t-test with the help of Statistical Package of Social Science (SPSS). The result shows that all the women have same attitude on their investment and the interest rate is most influencing factor deciding the investment behavior of women in urban and rural area.

## **Keywords**

Women Behavior, Investment decisions, Interest Rate, Savings, Investment Pattern

## **1. Introduction**

In the earlier days, men were the only earners in the family. The rest of the family members, children, wives, sisters, younger's, parents are dependent on only one person for their daily expenses. With the advancement of time, women of the nation are also started to earn their livelihood. When women start to earn money, the unemployment level starts decreasing which directly increases the GDP growth of the nation. The highest increase of unemployment percent goes to 23.75%. India faces many up and down during the covid-19 and recovering from this phase not only males but women also play a vital role to recover the growth of the nation.

Women start to empower themselves from (MSME'S). This statement was given by the minister of women empowerment and child protection, Bintang Puspayoga. These women not only adjust the demand of markets but also lead a new marketing trend. Nowadays women are also coming in front and contributing to the growth of the nation by developing new entities. Yes, in the society of male chauvinism it is very challenging for females to accept the term of entrepreneurship. But now women are giving answers to the male dominating society by providing employment opportunities in an innovative way with an ability of risk-taking.

There are many kinds of women entrepreneurs like an Affluent, these women are the family members of a well-his scheme settled entrepreneur. The second type is of pull entrepreneurs, these are the women of urban areas who are willingly taking risks for something new and the financial helpless for them are commercial banks or any institute of finance. The third type comes to push entrepreneurs where women force themselves for starting new businesses because either they become widows or get divorced from husbands. They build small entities for their livelihood. Urban women are mostly coming forward in the Bhartiya Mahila Bank which merged with the state bank of India in

March 2017 provides loans to women who are unprivileged and want to state their own business. Annapurna scheme grants loans of up to rupees 50000 to those women who want to run their food catering business.

The collateral securities are required for availing this scheme in a form of assets or in a form of guarantors. The women under this scheme can repay her loan for up to 3 years. Stree Shakti, under this the loans are given to women up to ranging rupees 50 lakhs. If in any case, the loan amount exceeds rupees 2 lakhs, the concession is given to them up to 0.50 % on the interest of rates. But to avail of this scheme, it is necessary that working women should have ownership in the business up to 50% otherwise, these women can't take profit from this scheme. The collateral security is not required only in two cases under this scheme i.e. if the loan is given less than to rupees 10 lakhs or if the loan is given less than to rupees 25 lakhs to SSI's loan under this scheme can be given to only those women who are having the ownership of 51% or more. The concession given to the rate of interest is only 2% and these women can pay off their loans up to 7 years.

## **2. Review of Literature**

Umair B et.al (2021) studied the behavior of female entrepreneurs towards investment in the new competitive market. The result drawn from the study was that these entrepreneurs are believing in savings in long-term funds or in banks or in a mutual fund but because of lack of timing or of having less knowledge they are not investing in other kinds of areas. Priyanka B (2021) focused on the knowledge level of female's investors and what kind of investment avenues was available to them. The conclusion drawn was that most of the females are not earning money so their investment decisions always depend on others. They believe in doing long-term investments with very few of risks. Geetha G and Jayashree R (2020) researched to know the degree of awareness in working female's employees for investment procedures. The results drawn in the end were that mostly all working women believe in investment and they are doing for their family as well as for future use. Mohamad F S and Syahrul T R (2020) Results drawn that FWB working women remained pleased with their current financial status, they had monetary capability and they feel secure about retirement. Veena M (2020) observed the key factors that influence women investment behavior. Psychological factors like level of confidence, belief in investment avenues, optimism of investors. The factors showed a proportional relationship with investment behavior. Yash P and Neha S (2020) perceived the investment predilection of working women. The study scrutinized that there are few women in Mumbai who are not still alert of the investment possibilities and mostly the married women are dependent on their husbands for making decisions. Poonam S and Navdeep K (2019) explored the factors influencing the employed women of the education sector in Punjab for investment attitudes. The conclusion drawn was that financial literacy influences women for doing more investments and they prefer to do risk-free investments mostly. Rajeswari T and Eronimus A. (2019) the learning suggested that women should facilitate themselves in making decisions. Women entrepreneurs are unable to take decisions because of lack of knowledge the other hand urban women entrepreneurs are well literate are having proper knowledge but still, they are unable to take decisions on time. Sangeetha and Srividhya S (2018) studied to know how demographic factors affect the decisions of working women for investments. The outcomes were drawn that women are treated equivalent to men almost in all fields but still there are some facts that make them different. Jhatiya V N and Vyakhya S (2018) conducted the research to evaluate the investment preferences, and socio-economic background of working women. The findings of the study were that private sector employed women were playing a big part in economic activities. For them, savings in the post offices are the safest investment whereas commodities are the less safe investments.

### **2.1 Need and significance of the study**

The trend of women education level and trend of success in the workplace highlights the consequences of women as a financial force. These trends suggest that advisors who focus on attractive women clients should gain more dividends in the coming years. Females are getting educated as compared to the older times and their income also increases. At the same time, women become interested and knowledgeable investors. Today, women represent the investment sector and use that sector for wealth maximization. To increase the wealth management firms, firms need to develop specific capabilities and also focus to fulfill the needs of female investors. The risk tolerance and concern of every woman investor are different. When surveyed as a group it finds that the average woman investor decisions are influenced by the male investors. Many women gain greater access to financial decisions and investment options, still, the missing element exists in the process. Women prefer to do savings and then investments not for their own security purpose but for the well-being of the family in the future. Women of today become more potential and influential for taking financial decisions than ever before. To adopt the risk level and to find the best product and service clarity and

investment behavior are needed. Although all the investments are influenced by various parameters like family size, family member and the willingness to invest in the different avenues. Hereafter, the learning is needed to distinguish the investment patterns adopted by the women.

## **2.2 Objectives of the study**

1. To analyze the investment behavior of women in the study area.
2. To identify the factors influencing women behavior on various investment patterns.

## **2.3 Hypothesis of the study**

H<sub>0</sub>: There is no significant difference on their investment behavior of women.

H<sub>0</sub>: There is no significant difference on factors influencing women investment behavior

## **3. Research Methodology**

The sampling area for the study selected is the women who reside in the Bathinda district of Punjab. This study targets to analyze the various investment behavior of women and to identify the factors influencing women behavior on various investment patterns. We analyses the demographic profile of the respondents, source of income, annual income, patterns adopted by investors, factors influencing the decisions of influencers, avenues selected for investment, sources of information, importance for making investments, and the awareness level of investors. Both working and Non- working women are considered. The data is collected by Primary and Secondary Sources. The primary data has been collected from 83 females by distributing the structured questionnaire. Primary sources are used to know the awareness level of investment, patterns, and avenues adopted by investors. Secondary sources are used to collect information for investment habits, decision-making power, and the investment behavior of women and factors influencing the decision-making power. We have used Traditional Sources like Newspaper, Magazines, Journals, Government reports and Innovative Sources such as websites, online reports, internet blogs, etc. The random sampling method is used for the study. Data is collected through an inferential approach. A descriptive and exploratory study has been conducted. Data is analyzed with the help of the proper statistical tools by using the Chi-Square test and t test with the help of Statistical Package of Social Science (SPSS).

## **4. Result of the study**

In this section, the results of the analysis are presented with a brief discussion by analysis of Factors Influencing women investment behavior.

### **4.1 Analysis of Factors Influencing women's investment behavior**

Table 1 depicts the profile of purpose to invest money. Majority of respondents are investing the money to earn returns (31.3%). From the total respondents 13.3 percent of them are investing the money for the purpose of tax savings.

**Table 1:** Purpose for investment

<b>Purpose for Making Investments</b>	<b>N</b>	<b>Percent</b>
Tax savings	11	13.3
Earning returns	26	31.3
To bear future expenses	25	30.1
Wealth creation	21	25.3
Total	83	100.0

Source: Primary Data

**Table 2:** Factors before investment

Factors before making Investment	N	Percent
Low risk	37	44.6
High return	21	25.3
Maturity period	25	30.1
Total	83	100.0

Source: Primary Data

**Table 3:** Term for investment

Terms for making investment	N	Percent
short term investment ( 6 months to 1 year )	25	30.1
medium term investment ( 1-5 years)	45	54.2
long term investment ( above 5 years)	13	15.7
Total	83	100.0

Source: Primary Data

**Table 4:** Investment advisors

Investment Advisors	N	Percent
Newspapers	7	8.4
Books	1	1.2
Family/ Friends	25	30.1
Financial advisor	14	16.9
Internet	16	19.3
Self-awareness	20	24.1
Total	83	100.0

Source: Primary Data

**Table 5:** Awareness of government schemes

Aware about Government schemes for making investments	N	Percent
Yes	44	53.0
No	11	13.3
Maybe	28	33.7
Total	83	100.0

Source: Primary Data

**Table 6:** Influencers for investment decisions

Influencers for taking the investment decisions	N	Percent
Family members	29	34.9
Interest rates	39	47.0
Boom / Bane period	15	18.1
Total	83	100.0

Source: Primary Data

Table 2 exhibits the profile of factors affecting before making investments. Majority of respondents are investing the money in the low risk investment avenues (44.6%). High returns also affect the decision before making investments to 25.3 percent of respondents

Table 3 shows the profile of terms for investment. Majority of respondents are investing the money for medium term i.e. between of 1-5 years (54.2%). Long term investments are preferred by only 15.7 percent of respondents. It is interpreted that all the respondents are investing and very less number of respondents are investing for the long term period.

Table 4 depicts the profile of investment advisors. For the Majority of respondents their families and friends acts like the investment advisors for them for making investments (30.1%). 24.1 percent of respondents are having the self-awareness, 19.3 percent of respondents are aware about investments from internet. 16.9 percent of respondents have their own financial advisors. 8.4 percent of respondents are aware from newspapers and 1.2 percent of respondents have awareness from the books.

Table: 5 indicates the profile of awareness of government schemes among respondents. Majority of respondents are aware about the government schemes (53.0%). Only 13.3 percent of respondents are not aware about the schemes provided by the government. It is interpreted that all the respondents are not aware for the government schemes.

Table 6 manifest the profile of influencers on respondents for making investment decisions. Majority of respondents are influenced by the interest rates (47.0%). From the total number of respondents only 18.1 percent of females are getting influenced from the boom or bane period.

## 5. Hypothesis Test Results

### 5.1 Hypothesis-1

There is no significant difference on their investment behavior of women in Bathinda district.

**Table 7:** Chi-square test for the association between women Educational level and having Bank account for making investments in study area

Educational Qualification		Bank account		Total	Pearson Chi-square value	Asymp. Sig. (2-sided)
		Yes	No			
Not educated	Count	2	0		.677 <sup>a</sup>	.878
	% within Bank account	2.5%	0.0%	2.4%		
	% of Total	2.4%	0.0%	2.4%		
High school	Count	1	0	1		
	% within Bank account	1.2%	0.0%	1.2%		
	% of Total	1.2%	0.0%	1.2%		
Intermediate	Count	13	1	14		
	% within Bank account	16.2%	33.3%	16.9%		
	% of Total	15.7%	1.2%	16.9%		
Graduated	Count	64	2	66		
	% within Bank account	80.0%	66.7%	79.5%		
	% of Total	77.1%	2.4%	79.5%		
Total	Count	80	3	83		
	% within Bank account	100.0%	100.0%	100.0%		
	% of Total	96.4%	3.6%	100.0%		

Table 7 shows the outcome of the chi-square test for the association between Scholastic Prerequisite and Bank account for making investments among the respondents in study area.

Majority of respondents are graduated (79.5%). Among 79.5 percent of graduated respondents 77.1 percent of them have bank account and 2.4 percent of them have no bank accounts. 16.9 percent of respondents have intermediate qualification. Among intermediate respondents, 15.7 percent of them have bank account and 33.3 percent of them have no bank account.

1.2 percent of respondents are illiterate respondents. From total not educated respondents 2.4 percent of them have bank account. Here it means to say all the illiterate respondents have bank account. 1.2 percent of respondents are high school qualified and all of them have bank account.

Result: Pearson chi-square value is 0.677 and asymmetric significant value is 0.878. Since the p value (0.878) is greater than 0.05 significant level, the null hypothesis is accepted. It means to say that there is no association between women Educational level and having Bank account for making investments in study area.

It is resolved that there is no significant difference on their investment behavior of women in Bathinda district.

### 5.2 Hypothesis 2

There is no significant difference on factors influencing women investment behavior

**Table 8:** Group Statistics

	Region	N	Mean	Std. Deviation
Influencing investment decisions	Rural	29	1.66	.670
	Urban	54	1.93	.723

Source: Primary Data

**Table 9:** Independent sample T-Test for Rural and Urban women concerning the influencers for making investment decisions in study area

Influencers for investment decisions	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	95% Confidence Interval of the Difference
Equal variances assumed	.164	.687	-1.668	81	.099	-.271	.162	Lower	Upper
								-.594	.052

Source: Primary Data

Table 9 exhibits the result of independent T-test for rural and urban women concerning the influencers for making investment decisions. The mean value of the rural women is 1.66 which is very near to value 2, which means to say that interest rate is the factor which influences more for taking decisions among rural women. The mean value of the urban women is 1.93 which is very near to value 3, which means to say that interest rate is the factor which influences more for taking decisions among urban women. Since, the P value is 0.99 which is more than the 0.05 level of significance. It clearly shows that the null hypothesis is accepted. It means that there is no significant difference between factors influencing investment behavior of rural and urban women. So, finally the interest rate is most influencing factor deciding the investment behavior of women in urban and rural area.

### Suggestions

- Making investments are good to bear the future expenses and to make future secured.
- Investment should be done in a manner so that an investee can get high return with less risk.
- Before investing money, investee should carefully consider the level of risk connected with the investment.

### 6. Conclusions

Nowadays, women represent the investment sector. It becomes essential that women should take their own decisions which will make the nation modernized and help for women empowerment. To increase the wealth management firms, firms should focus on accomplishing the needs of female investors. This study gives a detailed description about the investment behavior and the factors influencing women behavior on various investment patterns of women in Bathinda district of Punjab. They prefer to make investments in bank accounts and in post office for the safety purpose. Safety is the foremost thing that influences saving and investment decisions. In our study 13.3 percent of the respondent are investing the money for the purpose of tax savings. Most of the respondents are saving the money to fulfill their social obligations such as marriage of a child, further education of children's. Study shows that most of the women are investing the money in traditional way especially in Bathinda district and they are not that much aware about the innovative ways to invest their money. The data has been analysed through chi- square test which shows that there is no association between women Educational level and having Bank account for making investments in study area. We also studied Independent sample T-Test for Rural and Urban women concerning the influencers for making investment decisions which concludes that the interest rate is most influencing factor deciding the investment behavior of women in urban and rural area. So, Investment should be done in a manner so that an investee can get high return with less risk. Before investing money, investee should carefully consider the level of risk connected with the investment. The Financial awareness programmes must be organized which will promote the financial literacy, it also provides people with a foundational grasp of financial concepts that can help them make better financial decisions in the real world. They'll be better able to manage their money, make wise judgments, and maintain healthy spending and budgeting habits as a result of this knowledge, which will contribute to financial wellness over time. The primary advantage of financial literacy is that it allows to make informed financial decisions. It teaches how to budget, save, borrow, and invest money successfully and to meet financial objectives with financial stability.

## 7. Limitation of the study

- The existing study is classified only to one district of Punjab. So the results drawn from the study may not be rationale to all.
- The data is focused only on women so it may not be generalize to all.

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